



TESTIMONY TO THE SENATE BUDGET AND TAXATION COMMITTEE

SB 511 – Corporate Fairness Act of 2021

POSITION: Support

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Promoting a sound economy and maintaining an equitable and flexible system of taxation are among the League's basic principles. LWVMD's positions include support for an equitable and efficient fiscal structure.

Maryland League members understand the importance of the relationship between various revenue sources available to the state government and the services provided by those revenues. A sound revenue system must allow the State to invest in essential public goods such as education, transportation, and health care. In all three of these areas there has been serious underinvestment as demonstrated in public health with this pandemic; our roads, bridges, and transit; and the findings of the Kirwan Commission.

Combined Reporting and the Throwback Rule both are designed to assure that our State receives its fair share of corporate taxes from corporate sales. A basic principle of a fair tax is that similar persons should pay similar amounts. The distinctions being made between large, multi-state corporations and local businesses for shifting the attribution of profits is just not fair.

Maryland should join the many other states that use a similar law to help support necessary public investment.

We urge a favorable report on SB 511.